

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 150 – HB 1480

March 10, 2023

SUMMARY OF BILL: Establishes the *Tennessee Bullion Depository Act*, with the purpose of allowing qualified depositories to serve as the custodian, guardian, and administrator of certain bullion. Requires a qualified depository to operate exclusively or nonexclusively as a precious metals depository. Authorizes a qualified depository to be held and operated privately. Requires the Commissioner of Financial Institutions to promulgate rules, in accordance with the Uniform Procedures Act, to effectuate the *Tennessee Bullion Depository Act*. Requires depositories serving as a depository for precious metals to report to the Commissioner of Financial Institutions an annual report of its activities in the previous year, with the annual reports and all financial records of the depository subject to annual audit by the Comptroller of the Treasury. Requires the Commissioner of Financial Institutions to aggregate the report information to submit a consolidated annual report to the Governor, Speaker of the Senate, the Speaker of the House of Representatives, and the Legislative Librarian.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$97,800/FY23-24 and Subsequent Years/
Department of Financial Institutions**

Assumptions:

- The proposed legislation allows qualified depositories to engage in other transactions and investments as authorized by the promulgated rules by the Commissioner of Financial Institutions.
- Based on information provided by the Department of Financial Institutions, one additional Bank Financial Analyst will be needed to address the requirements of the proposed legislation, including aggregating and reporting on annual report data from depositories.
- The recurring increase in state expenditures as a result of hiring a Bank Financial Analyst will be \$97,822 (\$74,604 salary + \$19,718 benefits + \$3,500 on training and supplies costs) in FY23-24 and subsequent years.
- The Department of Treasury will need to ensure that qualified depositories are in compliance with and adhering to the regulations in the proposed legislation; any increased oversight by the Department of Treasury will be absorbable within existing resources without a significant increase in state expenditures.

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IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- The proposed language will not result in any significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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